



COUNTY OF VICTORIA

NOTICE OF MEETING

**COMMISSIONERS' COURT OF VICTORIA COUNTY, TEXAS
MONDAY, DECEMBER 17, 2018, 10:00 A.M., SPECIAL TERM
VICTORIA COUNTY COURTHOUSE 115 N. BRIDGE, SECOND FLOOR**

AGENDA

1. call to order.
2. invocation and pledges.
3. consider approval of minutes
4. citizens' communication.
5. consider approval of accounts payable for Victoria County and take appropriate action.
6. receive monthly and quarterly reports from various county officials and departments and take appropriate action.
7. consider approval of bond forfeiture releases and take appropriate action.
8. consider approval of CMC interim vendor payments and take appropriate action.
9. receive and adopt tax abatement agreement with INVISTA S.A.R.L. and authorize County Judge to sign and take appropriate action.
10. hear report on Bloomington Improvement Project and Grant Funding Opportunity and take any action deemed necessary.
11. consider appointment to Library Board and take appropriate action.
12. consider Victoria County's agreement with Gulf Bend Center related to the usage of Victoria County's Employee Clinic and possible overpayment by Gulf Bend and take appropriate action.
13. review and consider Task Order No. 2 with PGAL related to Commissioner's Courtroom expansion project and take appropriate action.
14. consider approval of the Texas Conference of Urban Counties TechShare Program FY2019 Indigent Defense Resource Sharing Addendum and take appropriate action.
15. discuss, consider, and adopt resolution designating an engineering service provider to complete application and project related engineering services for the Texas Department of Agriculture's 219-2020 TxCDBG Community Development Fund.
16. receive Notice of Award from U.S. Immigrations & Customs Enforcement for the FY2019 State & Local Overtime (SLOT) Funding Allotment for Victoria County Sheriff's Office and take appropriate action.
17. consider approval of the following for Victoria Regional Juvenile Justice/Detention Facility and take appropriate action:
 - a. Mental Health Counseling Contract with D. Ross Braune M.A., L.P.C.
 - b. Mental Health Counseling Contract with Next Step Counseling – Melainah Richardson LCDC, LCP-1

18. consider approval of Bi-Annual Food Bids for Victoria County Sheriff's Office and take appropriate action.
19. consider approval of 2019 Victoria County Salary Orders and take appropriate action.
20. receive report from the Texas Commission on Jail Standards and take appropriate action.
21. for recording purposes only, receive Notice of Rent Increase for Victoria Central Appraisal District and take appropriate action.
22. ratify lease agreement between Victoria County and the office of Congressman Michael Cloud for office space at 111 Glass St. and take appropriate action.
23. consider field agreement AKA "Trapper Program" among U.S. Department of Agriculture, Texas A&M Agrilife Extension Service, Texas Wildlife Damage Management Association and Victoria County and take appropriate action.
24. consider approval of the following 2018 Budget Amendments and take appropriate actions:
 - a. General Fund/Various Departments, Expenditures
 - b. General Fund/Sheriff's Office, Expenditures
 - c. General Fund/Sheriff's Office, Expenditures
 - d. Records Management Fund, Expenditures
 - e. Road & Bridge, Precinct #1
 - f. Road & Bridge, Precinct #3
 - g. Road & Bridge, Precinct #4
 - h. Drug Courts Program, Revenue & Expenditures
 - i. Health Department, Expenditures
25. receive for the record, 2018 Discretionary Fund Budget Amendment for CDA Contraband Forfeiture Fund and take appropriate action.
26. consider approval of personnel changes and take appropriate action.
27. pursuant to Local Government Code §81.005 designate day of week each month for Regular Term for Commissioner's Court for 2019, other meetings to be Special Term meetings and take appropriate action.
28. closed meeting pursuant to V.T.C.A Government Code §551.072 to discuss real property; §551.076 to discuss safety and security.
29. pursuant to V.T.C.A. Government Code §551.102 return to open meeting and take any action deemed necessary based upon discussion in closed meeting.

Ben Zeller,
County Judge 72 HOUR NOTICE 12.14.2018

(In accordance with Title III of the Americans with Disabilities Act, we invite all attendees to advise us of any special accommodations due to disability. Please submit your request as far as possible in advance of the program you wish to attend.)

The Commissioners Court reserves the right to convene into executive session for any item listed in this agenda, if necessary, pursuant to chapter 551 of the Texas Government Code, including but not limited to: (1) consultation with legal counsel to seek or receive legal advice or consultation regarding pending or contemplated litigation or any communication within the confidential attorney/client relationship; (2) discussion about the value or transfer of real property; (3) discussion about a prospective gift or donation; (4) consideration of specific personnel matters; (5) discussion about security personnel or devices; or (6) discussion of certain economic development matters, on any of the items listed for executive session under the Texas Open Meetings Act.. See Texas Government Code Section 551.071, et seq. Prior to convening into executive session, the County Judge or presiding officer will announce that the Commissioners Court will go into executive session, provide the agenda item for which executive session is being held and identify the section or sections of the Texas Open Meetings Act that allow for the closed meeting in compliance with Chapter 551 of the Texas Government Code.

AGREEMENT

This TAX ABATEMENT AGREEMENT (this "AGREEMENT") is entered into by and between VICTORIA COUNTY, TEXAS, a political subdivision of the State of Texas (the "COUNTY"), and INVISTA S.a' r.l., a private limited company incorporated in Luxembourg ("INVISTA"), formerly known as Arteva Specialties S.a' r.l. ("ARTEVA SPECIALTIES"), having its principal office and place of business at 4123 East 37th Street North, Wichita, Kansas 67220.

WITNESSETH:

WHEREAS, pursuant to the terms of Ground Lease between ARTEVA SPECIALTIES and E. I. DUPONT DE NEMOURS AND COMPANY, dated April 30, 2004 and terminating April 20, 2103 (the "LEASE"), INVISTA ground leases certain real property located in Victoria County, more particularly described as follows (the "PREMISES"):

BEING all of that tract or parcel of land located in Victoria County, Texas containing 4,500 acres of land, more or less, more particularly described on Exhibit "A" attached hereto, being the same property described on Exhibit "A" to Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing made as of November 10, 2011 by INVISTA S.a' r.l. to PRLAP, INC., recorded in Official Instrument No 201111406 of the Official Public Records of Victoria County, Texas, and depicted on that certain E. I. du Pont de Nemours and Company ALTA/ACSM Land Title Survey of Victoria Plantsite, being in the Diego Garcia Survey, Abstract 39, Victoria County, Texas, Job. D2-165, dated January 2004, prepared by Associated Engineers & Surveyors;

WHEREAS, the PREMISES does not include any property that is owned by a member of any of councils or boards, agencies, commissions, or other governmental bodies approving, or having responsibility for the approval of this Agreement.

WHEREAS, on August 27, 2015, the Office of the Governor, Economic Development and

Tourism designated the PREMISES as a Single Enterprise Project under Chapter 2303 of the Texas Government Code;

WHEREAS, without the necessity of further hearing, designation of the PREMISES as a Single Enterprise Project under Chapter 2303 of the Texas Government Code constitutes designation of the same as Reinvestment Zone for commercial/industrial tax under the Texas Property Redevelopment and Tax Abatement Act V.T.C.A., Texas Tax Code §312.001 et. seq., as amended (the "STATUTE");

WHEREAS, for purposes hereof, the PREMISES is referred to as INVISTA S.a' r.l. DBA INVISTA S.a' r.l., L.L.C. REINVESTMENT ZONE (the "INVISTA REINVESTMENT ZONE");

WHEREAS, INVISTA intends to construct and/or modernize certain improvements (the "IMPROVEMENTS") on its existing nylon intermediate chemicals facility located on the PREMISES in order to retrofit its existing adiponitrile ("ADN") unit (the "ADN Unit") by implementing the latest generation in ADN technology with the aim to extend its market-leading ADN technology in several aspects, including improved product yields, reduced energy consumption, lower greenhouse gas emissions, enhanced process stability and reduced capital intensity, and to strengthen INVISTA's competitive position as a global leader in the manufacturing of nylon intermediate chemicals;

WHEREAS, construction of the IMPROVEMENTS will increase the appraised value of the PREMISES and enhance the stability of employment in the COUNTY by creating temporary construction jobs and enable INVISTA to retain local, full-time employment positions (or their equivalent) in connection with the operation and maintenance of the ADN Unit throughout the duration of this AGREEMENT, which positions might otherwise be at risk.

WHEREAS, INVISTA has filed an application (the "APPLICATION") with the COUNTY requesting tax abatement on the IMPROVEMENTS under the Guidelines and Criteria of Victoria County for Creation of Reinvestment Zones and for Granting Tax Abatement in Reinvestment Zones created in Victoria County, Texas, re-adopted by the Commissioner's Court of Victoria County, Texas, on October 15, 2018, herein referred to the "POLICY STATEMENT;"

WHEREAS, construction of the IMPROVEMENTS, use of the PREMISES, and all other terms and conditions of this AGREEMENT are consistent with encouraging development of INVISTA REINVESTMENT ZONE and will maintain and/or enhance the commercial/industrial economic and employment base of the COUNTY to the long term interests and benefit of the COUNTY in accordance with the STATUTE; and

WHEREAS, the terms of this AGREEMENT are in compliance with the POLICY STATEMENT and the STATUTE; that entering into this AGREEMENT would not have a substantial adverse effect on the provision of governmental service or tax base; that INVISTA has sufficient financial capacity for the construction of the IMPROVEMENTS; and that the planned or potential use of the PREMISES would not constitute a hazard to public safety, health or morals or be in violation of other code or law.

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto mutually agree as follows:

1. INVISTA agrees to use commercially reasonable efforts to commence construction of the IMPROVEMENTS having a total Value Eligible for Abatement estimated at TWO HUNDRED MILLION and No/100 Dollars (\$200,000,000.00) on or before March 31,

2019, and thereafter diligently pursue construction so as to substantially complete the same on or before July 31, 2021 (the "COMPLETION DATE"); provided, however, the COMPLETION DATE shall be extended (and INVISTA shall have such additional time to commence and complete the improvements as may be required) in the event of FORCE MAJEURE (as defined below) so long as INVISTA is diligently and faithfully pursuing commencement and/or completion of the IMPROVEMENTS. For this purpose, "FORCE MAJEURE" shall mean any contingency or cause beyond the reasonable control of INVISTA including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, governmental or de facto governmental action (unless caused by acts of omissions of INVISTA), voluntary or involuntary compliance with laws, fires, explosions, adverse, weather, floods, failure of usual sources of supply or transportation, strikes and other labor difficulties. INVISTA agrees that construction of the IMPROVEMENTS will be in accordance with all applicable state and local laws and regulations or valid waiver thereof.

2. INVISTA agrees to create and increase employment by at least three hundred (300) construction jobs at the peak of the construction phase and an estimated eight hundred thousand (800,000) man-hours over the course of construction of the IMPROVEMENTS and retain employment for the equivalent of sixty-five (65) local, full-time employment positions in connection with the operation and maintenance of the ADN Unit throughout the duration of this AGREEMENT, which positions might otherwise be at risk.
3. Within 30 days of the close of each calendar year during the term of this AGREEMENT following the COMPLETION DATE, INVISTA will furnish to the COUNTY an affidavit, signed by an INVISTA official, certifying that it's requirement to retain employment for the equivalent of sixty-five (65) full-time employment positions in connection with the operation and maintenance of the ADN Unit for the preceding calendar year has been satisfied.
4. INVISTA agrees that from the COMPLETION DATE and continuing to the expiration of this AGREEMENT, it will continuously operate and maintain the PREMISES as a nylon intermediate chemicals site in Victoria, Texas; continuously operate and maintain a adiponitrile (ADN) unit within its existing footprint on the PREMISES; and limit use of the PREMISES to the general purpose of encouraging development of the INVISTA REINVESTMENT ZONE.
5. INVISTA agrees that from the date of this AGREEMENT until the expiration of the ABATEMENT PERIOD (as hereinafter defined) or earlier termination of this AGREEMENT, it will not suffer or permit any material default by INVISTA, as tenant under the LEASE, to remain uncured beyond any applicable notice and cure periods set forth in the LEASE and will keep the LEASE in full force and effect.
6. Subject to INVISTA's completion of construction of the IMPROVEMENTS, creation/retention of jobs required hereunder, and satisfaction of all of the other terms and conditions of this AGREEMENT, the POLICY STATEMENT, and STATUTE, the COUNTY agrees, for a term of 10 consecutive years beginning January 1, 2022 and ending

December 31, 2031 (the "ABATEMENT PERIOD"), to abate Victoria County Taxes and Road and Bridge Taxes on the taxable value of the IMPROVEMENTS on the additional value of new Eligible Property in the ADN Unit (estimated to be TWO HUNDRED MILLION and No/100) less any available TECEQ exemption obtained at the rate of Fifty percent (50%) based on the difference between the taxable value of such property as of January 1, 2018 (the "BASE YEAR VALUE") and the then existing taxable value of such property. For purposes of this Section, the term "taxable value" shall be that value assigned in good faith by the Victoria County Appraisal District for each year of the ABATEMENT PERIOD. The taxable value of the ADN Unit, including new Eligible Property, shall never be less than the BASE YEAR VALUE.

The BASE YEAR VALUE of the existing ADN unit, as established by the Victoria County Appraisal Office for tax year 2018 is \$43,024,300. The taxable value of the ADN Unit shall never be less than the BASE YEAR VALUE during the ABATEMENT PERIOD. However, INVISTA shall have the right to protest and/or contest appraisals over and above the Base Value.

The proposed use, nature of construction, time schedule, map, and improvement list are contained in the APPLICATION and are incorporated herein by reference.

7. In the event that (i) the IMPROVEMENTS for which an abatement has been granted are not substantially completed in accordance with this AGREEMENT; (ii) the construction of the IMPROVEMENTS does not result in at least three hundred (300) persons working on the construction and engineering of the IMPROVEMENTS at the peak of the construction phase and an aggregate of at least eight hundred thousand (800,000) man-hours over the course of construction of the IMPROVEMENTS, (iii) following completion of the IMPROVEMENTS and for the duration of the AGREEMENT, the equivalent of full time employment positions in connection with the operation and maintenance of the ADN Unit is less than the equivalent of sixty-five (65) local, full-time employment positions, (iv) INVISTA is in default of any representation, obligation or agreement hereunder; (v) following completion of the IMPROVEMENTS and for the duration of the AGREEMENT INVISTA does not continuously operate and maintain the PREMISES as a nylon intermediate chemicals site in Victoria, Texas and continuously operate and maintain a adiponitrile (ADN) unit on the PREMISES, except for planned and unplanned shutdowns for required maintenance; (vi) INVISTA becomes delinquent in the payment of ad valorem taxes owed to the COUNTY and fails to timely and properly follow the legal procedures for their protest and/or contests; or (vii) there is a violation of Section 6 ("RECAPTURE") or any other provision of the POLICY STATEMENT, then this AGREEMENT shall be in default and the POLICY STATEMENT will govern and control. Notice shall be in writing and shall be delivered by personal delivery or certified mail to INVISTA at the address recited herein. Subject to any notice and cure periods which may be required under the POLICY STATEMENT, this Agreement shall terminate and so shall the abatement of the taxes for the current and any future calendar years. As liquidated damages in the event of default, all taxes previously abated by virtue of every Agreement will be recaptured (without the addition of penalty but with interest at the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas) will become a

debt to the COUNTY and shall be due, owing and paid to the COUNTY within sixty (60) days of the termination. The parties acknowledge that actual damages in the event of default and termination would be speculative and difficult to determine. Accordingly, the COUNTY agrees that the damages set forth above are a fair estimate of damages that the COUNTY would incur in the event of a default and termination and as such the County agrees that it shall not be entitled to any damages or to any equitable relief (such as an injunction) in the event of a default or termination.

8. It is understood and agreed among the parties that the provisions, terms and conditions of the POLICY STATEMENT which is made a part of this AGREEMENT shall govern and prevail should a conflict arise between the text of this AGREEMENT and POLICY STATEMENT. Furthermore, the laws of the State of Texas shall govern this AGREEMENT.
9. This AGREEMENT cannot be assigned by INVISTA unless written permission is first granted by the COUNTY, which permission shall be at the sole discretion of the COUNTY; provided, however, INVISTA may assign this AGREEMENT to an affiliate without seeking the permission of the COUNTY, but must, within ten (10) days following such assignment, provide the COUNTY with a copy of duly recorded assignment evidencing same. The terms and conditions of this AGREEMENT are binding upon the successors and assigns of all parties hereto.
10. It is understood and agreed between the parties that INVISTA, in performing its obligations hereunder, is acting independently, and the COUNTY assumes no responsibilities or liabilities in accordance therewith to third parties and INVISTA agrees to indemnify and hold the COUNTY harmless therefrom.
11. INVISTA agrees that the COUNTY, their agents and employees, shall have reasonable right of access to the PREMISES to inspect the IMPROVEMENTS in order to verify that the construction of the IMPROVEMENTS are in accordance with this AGREEMENT and all applicable state and local laws and regulations. After completion of the IMPROVEMENTS, the COUNTY shall have the continuing right to inspect the PREMISES to insure that the PREMISES are thereafter maintained and operated in accordance with this AGREEMENT during the abatement period. Provided, however, prior to accessing the PREMISES, the COUNTY shall provide INVISTA with at least five (5) business days advance written notice and, during any such inspection, the COUNTY shall comply with INVISTA's customary third-party safety, confidentiality and site access procedures. In no event would the COUNTY, its agents or employees have the right to access any confidential or proprietary information of INVISTA.
12. Any notice required under this Agreement must be given in writing sent by certified United States mail, postage prepaid, or by personal delivery.

Notice shall be addressed to the COUNTY as follows:

VICTORIA COUNTY COMMISSIONERS' COURT

115 N. BRIDGE, ROOM 127
VICTORIA, TEXAS 77901

Notice shall be addressed to INVISTA as follows:

If by personal delivery:
2695 OLD BLOOMINGTON RD. NORTH
VICTORIA, TEXAS 77905
ATTENTION: PLANT MANAGER;

If by mail:
INVISTA S.a' r.l.
P.O. Box 2626
VICTORIA, TEXAS 77902
ATTENTION: PLANT MANAGER

Each party may change its designated address by written notice to the other party in accordance with the provisions set forth above. Notices shall be deemed to have been received on the earliest of (i) actual receipt; (ii) a party's rejection of delivery; or (iii) three (3) business days after having been deposited in any mail depository regularly maintained by the United States Postal Service, if sent by certified mail, or on the date of personal service, if served by a process server.

13. INVISTA acknowledges and represents that it has all approvals required by applicable law and the full right, power and authority to enter into this AGREEMENT.
14. This AGREEMENT shall constitute a valid and binding agreement between the COUNTY and INVISTA, and their permitted successors and assigns, when executed in accordance herewith.
15. This AGREEMENT constitutes the entire agreement between the parties and no verbal or written representatives have been made a part of this Agreement unless specifically set out herein.
16. This AGREEMENT is performable in Victoria County, Texas.

WITNESS our hands this 12 day of December, 2018.

VICTORIA COUNTY, TEXAS

By: _____
BEN ZELLER
County Judge

INVISTA S.a' r.l.

By: Bill King
BILL KING
Vice President of Operations,
Intermediates – Americas and Europe

EXHIBIT A

LEGAL DESCRIPTION OF THE PREMISES

[to be attached]